

Statewide Internal Audit Activities Reporting Categories
For Fiscal Year Ended September 30, 20__

Title	Description	Law Reference	Examples of Activities
Internal Control Evaluations – Responsibilities with Biennial Reporting	Review management evaluation practices to determine that they are in accordance with guidance set forth in the “General Framework,” consult management in the conduct of evaluations and follow-up false information connected with evaluation activities.	18.1485(4) 18.1486(4)(a)	<ul style="list-style-type: none"> ▪ Review documentation maintained to support biennial report ▪ Consult with management on evaluation issues ▪ Investigate various issues connected with the evaluation
*Financial Audits (Internal)	Audit the reliability and integrity of agency’s financial statements, schedules or other operational data and determine compliance with applicable reporting criteria (accounting or other reporting standards) and other laws, rules, regulations and management directives internally managed.	18.1486(4)(b) 18.1486(4)(e)	<ul style="list-style-type: none"> ▪ Include financial statement and financial related audits ▪ Audit information presented in agency financial statements, schedules and other operational reports ▪ Audit may include an entire statement/ schedule or select components of the report
*Financial Audits (External)	Audit activities of contractors and/or grants (to external entities) to determine the reliability and integrity of financial data and determine compliance with reporting criteria (accounting and other reporting standards) and other laws, rules, regulations.	18.1486(4)(b) 18.1486(4)(e)	<ul style="list-style-type: none"> ▪ Audit the integrity of financial related information required per the contract ▪ Routine reviews of agency contract and grant administration activities
*Economy, Efficiency and Performance Audits	Audits designed to provide an independent assessment of performance of governmental entity, program, activity or function. Performance is measured against the activity’s mission, goals/objectives–established by law, management directives, etc.	18.1486(4)(c) 18.1486(4)(d)	Audits of: <ul style="list-style-type: none"> ▪ Programs ▪ Organizational units ▪ Business process, etc.
Other Audit and Investigative Activities	Conduct other audit and investigative activities as assigned by department head. These activities generally would not be supported by preparation of audit workpapers and/or a formal audit report –things required by professional standards to constitute an “audit.” These activities do not include temporary assignments to perform management responsibilities.	18.1486(4)(c) 18.1486(4)(f) 18.1486(4)(g)	<ul style="list-style-type: none"> ▪ Audit coordination (OAG and external) ▪ Reviews of a variety of issues impacting the internal control structure ▪ Participation on system/business process development projects
Serious or Flagrant Activities	Report to the department head if the Internal Auditor becomes aware of particularly serious or flagrant problems, abuses or deficiencies relating to the administration of programs or operations of that principal department or its State agencies.	18.1487	<ul style="list-style-type: none"> ▪ Perform normal investigation activities (e.g., observation, inquiry, re-performance) to substantiate the legitimacy of reported problems
Sub-recipient Monitoring	Monitor activities of sub-recipients who receive federal funds, to determine that they have expended program funds in accordance with requirements set forth in OMB Circular A-133.	18.1487(4)(e) 18.1487(4)(g)	<ul style="list-style-type: none"> ▪ Circular A-133 desk reviews ▪ Select audit procedures of sub-recipients
Professional Development & Administrative Support Activities	Attendance at training opportunities to develop employees’ professional skills and to meet professional education requirements. Also includes varied administration activities that indirectly support the audit department’s activities.	Implied	<ul style="list-style-type: none"> ▪ Attend training opportunities ▪ Clerical support ▪ Technical support (EUC, quality assurance) ▪ Training coordinator/Other support activities
Title	Description	Law Reference	Examples of Activities
Other	Anything outside the statutory responsibilities set forth in Sections 485(4), 486(4) and 487 of DMB Act of 1984, PA 431.	N/A	Performance of operational activities (e.g.): <ul style="list-style-type: none"> ▪ Security administration & strategic planning

* Both Financial and Performance audits generally require an assessment of compliance with applicable laws, rules, regulations, policies and management directives. Definition of these types of audits is based on definitions set forth in the “Yellow Book” (Generally Accepted Government Auditing Standards).
Note: Professional development should be reported. The Internal Auditor should disclose via footnote or some other means if this associated effort is included (allocated) in the other report categories.